

## Message Text

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ACTION ARA-14

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O R 041915Z MAY 78  
FM AMEMBASSY QUITO  
TO SECSTATE WASHDC IMMEDIATE 8134  
INFO AMEMBASSY LA PAZ  
AMEMBASSY LIMA  
AMCONSUL GUAYAQUIL

C O N F I D E N T I A L SECTION 1 OF 2 QUITO 2979

E.O. 11652: GDS  
TAGS: PINT, EC  
SUBJECT: PRESIDENTIAL CANDIDACIES UP IN THE AIR

REF: (A) QUITO 2888; (B) QUITO 2838

1. BEGIN SUMMARY: THE SUPREME COURT DECISION ON THE CANDIDACY OF LIBERAL FRANCISCO HUERTA IS EXPECTED ON MAY 4. HUERTA, ASIDE FROM HIS DISQUALIFICATION BY THE SUPREME ELECTORAL TRIBUNAL, MUST FACE ADDITIONAL PROBLEMS WITH FEDESARROLLO. PERSISTENT RUMORS ARE CIRCULATING TO THE EFFECT THAT SIXTO DURAN-BALLEN MAY BE FORCED TO WITHDRAW FROM THE PRESIDENTIAL SWEEPSTAKES. THE GOE'S SELF-PROCLAIMED IMAGE AS A DISINTERESTED PARTY TO THE DISQUALIFICATION OF CANDIDATES AND PARTIES IS ERODING SERIOUSLY. EFFORTS ON BEHALF OF LIBERALS RAUL CLEMENTE HUERTA CONTINUE BUT OTHER POLITICIANS ARE BEGINNING TO TAR HIM WITH THE BRUSH OF GOVERNMENT COLLABORATION. END SUMMARY.

2. THE DEFINITION OF THE FUTURE OF THE CANDIDACY OF LIBERAL FRANCISCO HUERTA MONTALVO IS EXPECTED SHORTLY. LIBERAL VICE PRESIDENTIAL NOMINEE BLASCO PENEHERRERA TOLD POLCOUNS THE AFTERNOON OF MAY 3 THAT THE PARTY EXPECTED  
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THE SUPREME COURT ON MAY 4 TO DECLARE ITSELF INCOMPETENT TO RULE ON THE PROCEDURES EMPLOYED BY THE SUPREME ELECTORAL TRIBUNAL, THUS LETTING THE DISQUALIFICATION OF THE HUERTA CANDIDACY STAND. IN COMMENTARY TO REPORTERS MAY 3, SUPREME COURT PRESIDENT GONZALO KAROLYS DECLARED THAT HE EXPECTED THE COURT TO MAKE AND ANNOUNCE ITS DECISION MAY 4.

3. ALSO ON MAY 3, THE EXECUTIVE BOARD OF FEDESARROLLO FAILED TO ATTAIN A QUORUM AND WAS THUS UNABLE TO ACT ON HUERTA'S REQUEST THAT HIS PENDING RESIGNATION BE ACCEPTED. THE LIBERAL PARTY SUPREME COUNCIL, ACCORDING TO PENAHERRERA, HAS AGREED TO SUPPORT ONE MORE EFFORT TO INSCRIBE THE HUERTA/PENAHERRERA CANDIDACY IF THE RESIGNATION IS ACCEPTED BY FEDESARROLLO. ANOTHER MEETING FOR THE FEDESARROLLO EXECUTIVE BOARD IS SCHEDULED FOR MAY 5, BUT THE HUERTA CAMP FEARS THAT CERTAIN MEMBERS MAY HAVE AN INTEREST IN MAINTAINING HUERTA'S DISQUALIFICATION AND MAY THUS ABSENT THEMSELVES TO AVOID A QUORUM. IN THAT CASE, HUERTA'S DISQUALIFICATION FOR HAVING SIGNED A GOVERNMENT CONTRACT ON BEHALF OF AN ORGANIZATION WOULD STICK. PENAHERRERA, UNLIKE HUERTA MONTALVO, BELIEVES THAT THE PARTY DIRECTORATE CAN NAME A NEW NOMINEE BY ITSELF UNDER EMERGENCY CIRCUMSTANCES AND LATER REFER IT TO A NATIONAL CONVENTION FOR RATIFICATION.

4. THE POLITICAL BUREAU OF THE NATIONAL DEMOCRATIC FRONT (THE NAME COMES FROM RAUL CLEMENTE HUERTA'S 1956 ELECTORAL COALITION) WHICH HAD BEEN FORMALLY CREATED MAY 1, MET ON MAY 3 IN THE GUAYAQUIL HOME OF ITS DIRECTOR NICHOLAS CASTRO BENITEZ, A GUAYAQUIL BUSINESS LEADER AND ONE TIME LIBERAL PARTY MEMBER. THE FRONT, COMPOSED OF SOME LIBERALS, THE SOCIALIST PARTY AND AROSEMENISTAS (PNR), DECLARED THE GOAL OF REPLACING FRANCISCO HUERTA WITH RAUL

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CLEMENTE HUERTA RENDON AS THE LIBERAL CANDIDATE, AND THEN FORMING A COALITION WITH THE LIBERALS. HUERTA RENDON, DECLARED THE FRONT, IS "THE ONLY GUARANTEE OF RETURNING TO CONSTITUTIONAL GOVERNMENT." THE BUREAU RESOLVED TO MEET AGAIN IMMEDIATELY FOLLOWING THE SUPREME COURT'S DECISION ON THE HUERTA MONTALVO DISQUALIFICATION.

5. HUERTA'S KNOWLEDGE OF CLANDESTINE MEETINGS BETWEEN HIS UNCLE, RAUL CLEMENTE HUERTA RENDON, AND MINISTER OF GOVERNMENT JARRIN AND ADMIRAL POVEDA, IS BEGINNING TO BE LEAKED EFFECTIVELY. TELEVISION NEWSCASTER DIEGO OQUENDO HAS BROADCAST HINTS OF SUCH MEETINGS, WITHOUT PROVIDING NAMES, AND OTHER RUMORS ARE CIRCULATING. IN A RADIO INTERVIEW, CFP/DP VICE PRESIDENTIAL CANDIDATE OSVALDO HURTADO, WHO IS HAVING HIS OWN TROUBLES QUALIFYING, CHARGED THAT HUERTA RENDON HAD MET SECRETLY WITH HIGH GOE OFFICIALS RECENTLY. ON MAY 2 FRANCISCO HUERTA ATTEMPTED TO BROADCAST A VIDEOTAPED INTERVIEW IN QUITO IN WHICH HE ACCUSED THE ELDER HUERTA OF CONSPIRING WITH THE GOE IN ORDER TO BECOME THE LIBERAL PARTY NOMINEE. THE EMBASSY HAS RECEIVED REPORTS THAT THE BROADCAST WAS CANCELLED AT THE LAST MINUTE BY CHANNEL 8 OWNER, JORGE MANTILLA,

WHO, AS A PERSONAL FRIEND OF RAUL CLEMENTE, REFUSED TO ALLOW THE BROADCAST.

6. HUERTA IS NOT THE ONLY CANDIDATE WITH PRESENT OR DEVELOPING SERIOUS PROBLEMS. AS REPORTED EARLIER, PRESENT FRONT RUNNER SIXTO DURAN-BALLEN RAISED THE POSSIBILITY OF WITHDRAWING FROM THE RACE IF THE ACTIONS OF THE SUPREME ELECTORAL TRIBUNAL GIVE THE IMPRESSION THAT THE GOE IS CONTROLLING THE ELECTORAL PROCESS. RUMORS OF HIS POSSIBLE WITHDRAWAL ON THOSE GROUNDS ARE INCREASING IN INTENSITY. DURAN-BALLEN'S FUTURE IS FURTHER CLOUDED BY RUMORS THAT HE HAS TRAVELLED ON A US PASSPORT (HE WAS BORN IN BOSTON). THE POLITICALLY ULTRA-CONSERVATIVE ANTONIO GRANDA, QUITO INDUSTRIALIST AND OWNER OF EL CONFIDENTIAL

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TIEMPO AND CHANNEL 4, WHO HAD BEEN ASSUMED TO BE A DURAN-BALLEN SUPPORTER, TOLD POLCOUNS THE EVENING OF MAY 3 THAT THE CANDIDATE WOULD HAVE TO WITHDRAW BECAUSE HE HAD USED A US PASSPORT TO TRAVEL TO PUERTO RICO FOR HIS WEDDING. THERE IS A GROWING FEELING IN THE QUITO BUSINESS COMMUNITY, DURAN-BALLEN'S STRONGEST SUPPORTER, THAT THE GOE HAS REJECTED THEIR MAN.

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7. MEANWHILE, THE SUPREME ELECTORAL TRIBUNAL CONTINUES UNDER POLITICAL AND EDITORIAL ATTACK FOR ITS DISQUALIFICATION OF THE HUERTA CANDIDACY AND FOR ITS FAILURE TO RECOGNIZE THREE OF THE FOUR NEW POLITICAL PARTIES. THE RESIGNATION OF THREE PRINCIPAL MEMBERS AND TWO ALTERNATES FOLLOWING THE FIRST DISQUALIFICATION MOVE, HAS FURTHER TARNISHED THE TRIBUNAL'S HOPED FOR IMAGE OF INDEPENDENCE. ADS QUOTING THE AGEE BOOK'S COMMENTARY ABOUT TRIBUNAL PRESIDENT BAQUERO'S PERFORMANCE AS A CIA AGENT HAVE REVIVED DOUBTS ABOUT HIS INTEGRITY. THE ANNOUNCEMENT BY THE TRIBUNAL MAY 3 THAT IT WILL NO LONGER DEAL WITH THE PRESS THROUGH INTERVIEWS AND WILL ONLY ISSUE PRESS BULLETINS WILL FURTHER DIMINISH ITS IMAGE.

8. FINALLY, THE TRIBUNAL'S (AND THE MILITARY GOVERNMENT'S DEFENSE) INSISTENCE THAT IT IS ONLY ENFORCING THE LAW AS PREPARED BY THE CIVILIAN POLITICIANS FECEIVED A BLOW MAY 3. THE GOE HAD BEEN CRITICIZED FOR VIOLATING ITS OWN ELECTIONS LAW BY NAMING INDIVIDUALS DIRECTLY TO REPLACE RESIGNING PRINCIPALS ON THE TRIBUNAL. THE SUPREME ELECTORAL TRIBUNAL ISSUED A STATEMENT SAYING THAT SUCH A MOVE WAS IN FACT LEGAL SINCE THE ORIGINAL LAW WAS CONFIDENTIAL

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ISSUED BY A DECREE OF THE MILITARY GOVERNMENT AND SINCE THE NEW APPOINTMENTS WERE ALSO MADE BY A GOE DECREE EVEN THOUGH IT VIOLATED THE ORIGINAL DECREE). CRITICS HAVE BEEN QUICK TO NOTE THAT SUCH A RATIONALE ON THE PART OF THE TRIBUNAL ESSENTIALLY MEANS THAT THE LAW IS WHAT THE GOE DECREES IT TO BE.

9. COMMENT: THE EMBASSY SHARES THE VIEW OF PENAHERRERA THAT THE SUPREME COURT IS LIKELY TO REJECT THE HUERTA APPEAL, ON ONE GROUND OR ANOTHER. RECENTLY REPORTED EDITORIAL AND JURIDICIAL OPINION IS THAT IF HUERTA IN FACT RESIGNS FROM FEDESARROLLO, THE LIBERALS CAN NOMINATE HIM AGAIN IF THEY DO SO BEFORE THE MAY 16 DEADLINE. IT IS NOT CERTAIN HOW THE SUPREME ELECTORAL TRIBUNAL WOULD REACT TO SUCH A MOVE. THE IMAGE OF HEALER AND UNIFIER THAT RAUL CLEMENTE HUERTA HAD SURELY HOPED TO PROJECT NOW SEEMS DIFFICULT, GIVEN HIS NEPHEW'S KNOWLEDGE OF HIS MEETING WITH GOE OFFICIALS AND HIS WILLINGNESS TO USE THE INFORMATION TO PROTECT HIS OWN CANDIDACY.

10. OF THE SEVEN ORIGINAL PRESIDENTIAL TICKETS, ONLY TWO---DEMOCRATIC LEFT'S SLATE HEADED BY RODRIGO BORJA AND THE MOSCOW-LINE COMMUNIST PARTY'S LED BY RENE MAUGE---REMAIN UNTHREATENED BY ADMINISTRATIVE, JUDICIAL OR OTHER ACTION AT THIS POINT. IF DURAN-BALLEN IS OBLIGED TO

WITHDRAW FROM THE RACE, AND THE TRIBUNAL DECISIONS ON THE OTHER CANDIDACIES ARE UPHELD, IT IS DIFFICULT TO SEE HOW THE GOE CAN AVOID THE PUBLIC IMPRESSION THAT RAUL CLEMENTE HUERTA, IF HE SUCCEEDS IN BEING NOMINATED, IS THE GOE'S CANDIDATE.

11. AT THIS EARLY STAGE IT IS DIFFICULT TO PROJECT  
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THE LONG TERM CONSEQUENCES FOR RETORNO, BUT WITH GROWING PUBLIC SKEPTICISM ABOUT THE PROCESS, THE DEVELOPMENT OF A "THROW THE RASCALS OUT" MOOD SEEMS A LIKELY POSSIBILITY. HOWEVER, IT MAY BE DIFFICULT TO FOGE A COMMON FRONT OF THE CIVILIANS TO REJECT THE MILITARY'S HIGH-HANDEDNESS BECAUSE OF CHRONIC AND ACUTE PERSONAL DISPUTES. HUERTA MONTALVO, FOR INSTANCE, IN ADDITION TO HIS HAVING BECOME BUCARAM'S BETE NOIRE, HAS ALSO UNWISELY CHOSEN TO TAKE SWIPES AT DEMOCRATIC LEFT DURING HIS RECENT PROBLEMS WHICH HAS INFURIATED THE BORJA CAMP. THE WELL-KNOWN FRAGMENTATION OF THE ECUADOREAN POLITICAL STRUCTURE MAY THEREFORE ONCE AGAIN PLAY INTO THE HANDS OF THE MILITARY.  
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